The Evidence Behind
Better Location Decisions

Five commercial decisions and the questions worth asking before committing to significant investment.

Why Better Location Decisions Matter

Location decisions shape commercial performance long before the results appear on a balance sheet. Whether it's deciding where to invest, when to expand, how to allocate marketing budgets or why one location outperforms another, the choices businesses make today can have a lasting impact on growth and profitability.

Yet many of these decisions are still influenced by assumptions, anecdotal evidence or what appears more obvious.

Good decisions aren't about having more data. They're about asking better questions and having evidence that gives you confidence in the answer.

This guide explores five common commercial decisions and the questions worth answering before committing significant time, money and resources, including:

1. Which Location Offers the Strongest Opportunity?
2. Why is One Location Outperforming Another?
3. Where Should We Focus Marketing Investment?
4. Is There Enough Demand to Justify Expansion?
5. Where are Competitors Leaving Opportunities?

Which Location Offers the Strongest Opportunity?

Choosing a new location is rarely as straightforward as it first appears. Two sites may look equally attractive, attract similar levels of visible activity, have comparable rental costs and sit within well-established retail or commercial destinations. But, what happens beneath the surface can be very different.

Patterns of demand, visitor behaviour and the way people move through an area can vary significantly, making one location a far stronger long-term investment than another. Choosing the wrong site can have lasting consequences for profitability, making it essential to look beyond first impressions.

Questions to consider:

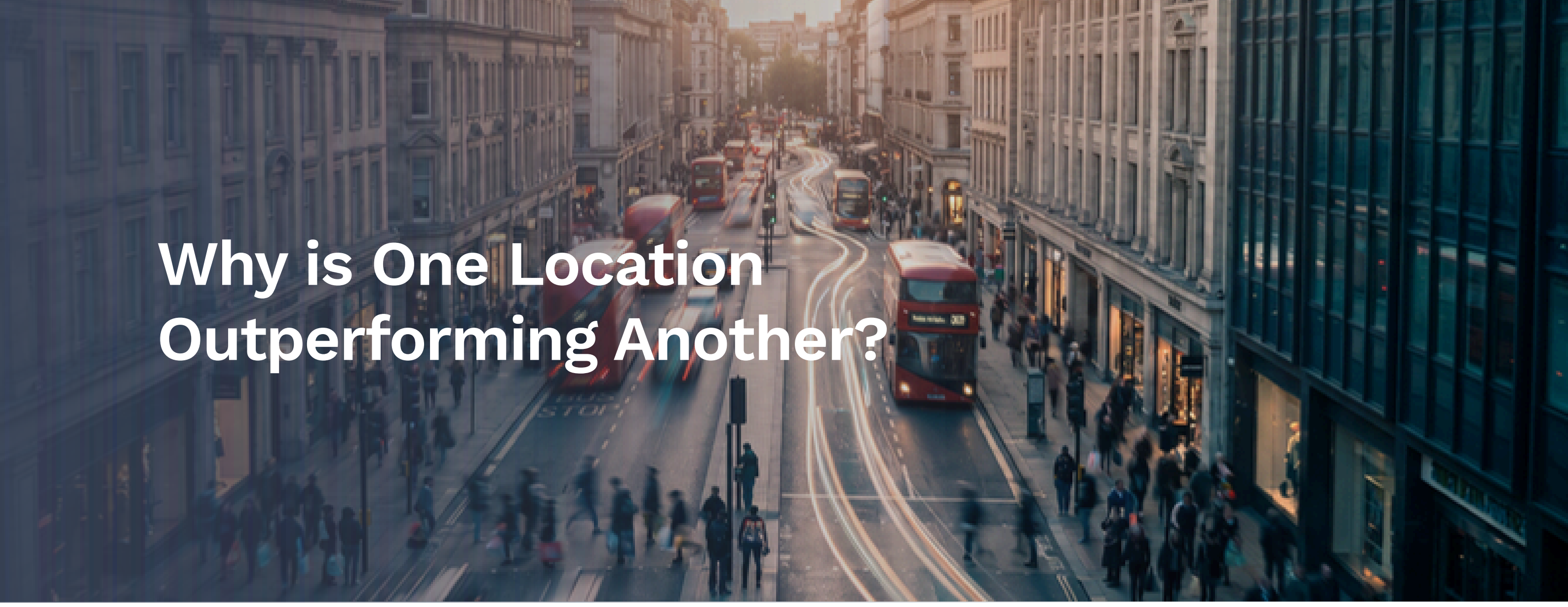
- How does this location compare with realistic alternatives?
- Does demand remain consistent throughout the day?
- How different are weekday and weekend patterns?
- Is activity seasonal or reliable year-round?
- Where are visitors travelling from?

What the Evidence Should Reveal

Visible footfall only tells part of the story. A stronger location assessment considers how activity changes throughout the day, week and year, how visitors move through an area and whether demand is consistent enough to support long-term commercial success. Looking beyond first impressions provides a more complete picture of a location's potential before significant investment is made.

Why It Matters

An analysis of **67%** of failed retail locations showed warning signs that were ignored or never analysed. By contrast, businesses using sophisticated Location Intelligence reported an average **18%** increase in sales at the sites they choose.[1]



Why is One Location Outperforming Another?

Two locations can operate under the same brand, offer similar products and serve comparable communities, yet consistently deliver very different levels of performance. While sales figures can highlight the difference, they rarely explain the underlying reasons.

External factors such as changing demand, visitor behaviour and the surrounding environment can all influence performance in ways that aren't immediately visible, making it more difficult to identify the drivers behind success or underperformance.

Questions to consider:

- Has surrounding activity changed?
- Are people visiting at different times?
- Are external factors affecting performance?
- Are movement patterns changing over time?
- Are nearby developments influencing demand?

What the Evidence Should Reveal

Performance reports can highlight that one location is outperforming another, but they rarely explain why. Looking beyond internal performance data to consider customer movement, local dynamics and changes in the surrounding environment helps identify the factors influencing results and where improvements are most likely to have the greatest impact.

Why It Matters

MIT and Wharton researchers found that companies using data-driven decision-making achieved productivity improvements of **5–6%**, together with higher profitability, by replacing guesswork with objective evidence.[2]

Where Should We Focus Our Marketing Investment?

Every marketing campaign involves prioritising where investment will have the greatest impact. The most prominent or busiest locations are not always the most effective, particularly if they don't align with when and where your target audience is most active.

A more informed view of demand helps businesses focus on locations that are more likely to deliver stronger campaign performance. It also provides more certainty that marketing budgets are being invested where they are most likely to generate measurable commercial returns.

Questions to consider:

- How does this location compare with realistic alternatives?
- Does demand remain consistent throughout the day?
- How different are weekday and weekend patterns?
- Is activity seasonal or reliable year-round?
- Where are visitors travelling from?

What the Evidence Should Reveal

Marketing investment is most effective when it reflects how people actually use a location. Understanding where demand is strongest, when activity peaks and how movement varies across an area helps organisations allocate budgets more effectively and maximise campaign performance.

Why It Matters

Only **54%** of marketing decisions are influenced by analytics, according to Gartner, reinforcing why better evidence should play a greater role in directing marketing investment and improving commercial outcomes.[3]

Is There Enough Demand to Justify Expansion?

Opening a new location is one of the most significant investments many businesses will make. Suitable premises may be available, but the more important question is whether the surrounding area can generate sufficient demand to support sustainable growth. Making that judgement requires objective evidence that the opportunity is commercially viable.

Taking a more objective approach helps businesses prioritise opportunities with the strongest long-term potential while reducing the risk of costly investment decisions. It also provides surety that expansion plans are supported by evidence.

Questions to consider:

- Is demand increasing or declining?
- Could a new location affect nearby sites?
- Are there stronger alternative sites nearby?
- Does the area attract enough potential customers?
- How does this location compare with existing sites?

What the Evidence Should Reveal

Expansion decisions should be supported by evidence that extends beyond the availability of suitable premises. Comparing locations objectively and assessing long-term demand provides a clearer view of commercial viability, helping organisations prioritise opportunities with the greatest potential while reducing investment risk.

Why It Matters

Forrester found that insights-driven businesses are **eight times** more likely to achieve annual revenue growth of at least **20%**, demonstrating the commercial value of evidence-led decision-making.[4]

Where are Our Competitors Leaving Opportunities?

It's natural to look at where competitors are investing, particularly if they appear successful. However, simply following the market can mean competing for the same customers in increasingly crowded locations. A more strategic approach is understanding where demand exists, how well it is currently being served and whether there are overlooked opportunities that offer greater long-term potential.

Assessing both customer activity and competitive presence provides a more balanced view of where future investment is likely to deliver the greatest commercial return. It also helps businesses identify locations with stronger potential.

Questions to consider:

- Where is demand strongest?
- Which areas appear underserved?
- Where is competition concentrated?
- How do neighbouring locations compare?
- Where might future opportunities emerge?

What the Evidence Should Reveal

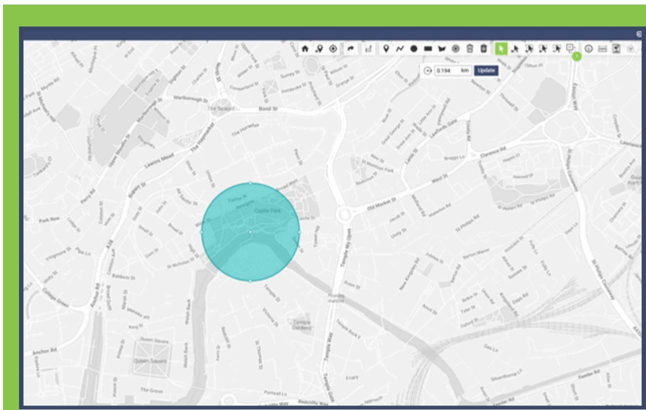
Competitor activity can provide useful context, but it shouldn't define strategy. Assessing demand alongside competitive presence helps organisations distinguish between crowded markets and genuine commercial opportunities, enabling investment decisions to be based on evidence rather than imitation.

Why It Matters

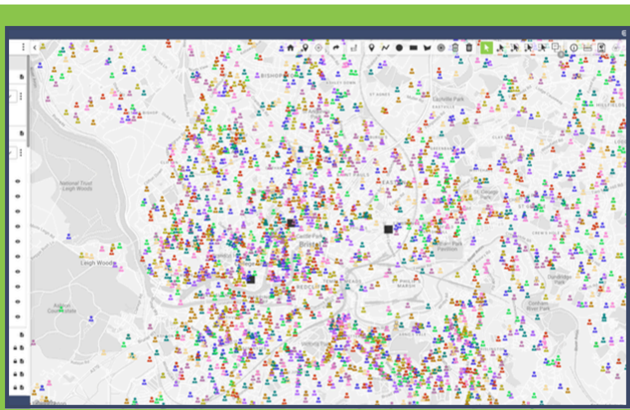
Blue Ocean Strategy research found that just **14%** of business launches targeting uncontested market opportunities generated **61%** of total profits, highlighting the value of looking beyond established competitors.[5]

Better Evidence. Better Decisions. Better Locations.

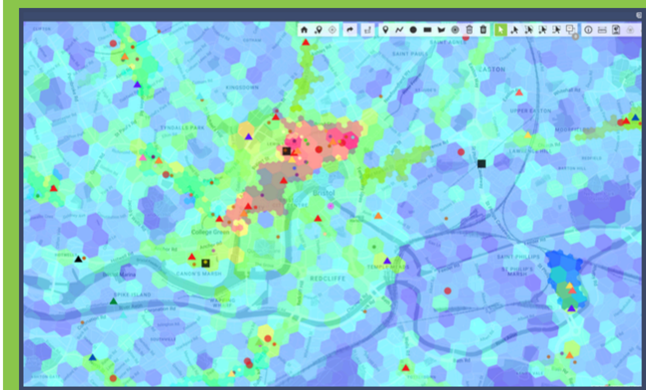
Although each decision in this guide is different, they all rely on the same principle: making commercial decisions based on objective evidence rather than assumptions. Understanding how demand changes over time, how people move through locations and how places compare provides businesses with greater confidence before committing significant investment.



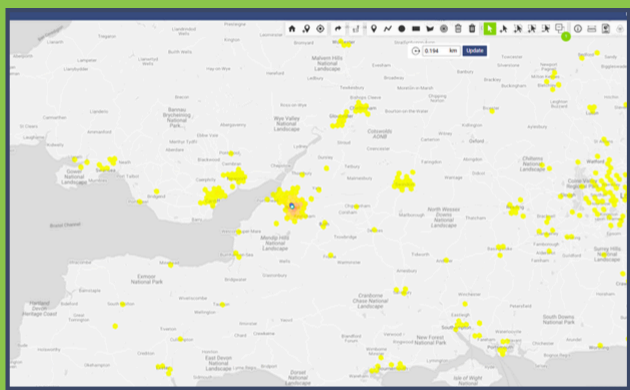
When does demand peak?



Why do similar locations perform differently?



How does demand change over time?



Where are visitors travelling from?

Together, these insights help businesses answer the questions explored throughout this guide with greater clarity.

Dynamic Footfall provides the evidence needed to evaluate location performance. Combined with the wider capabilities of **Periscope®**, including customer insight, catchment analysis, demographics, competitor benchmarking and predictive location modelling, it gives organisations a more complete picture to support better-informed commercial decisions.

Sources: 1. GrowthFactor. 2.MIT/Sloan Wharton 3. Gartner 4. Forrester 5. Blue Ocean Strategy

When Demand Moves,
Your Plans Need to Move with It

Newgrove

newgrove.com/dynamic-footfall